

OFFICE OF FINANCIAL INSTITUTIONS

OFI BULLETIN

BL-08-2003
October 31, 2003

TO: THE CHIEF EXECUTIVE OFFICER/MANAGER

SUBJECT: ALLOWABLE EXPENSE REIMBURSEMENT FOR CREDIT UNION OFFICIALS

The purpose of this bulletin is to clarify the intent of the Louisiana Credit Union Law with respect to allowable expense reimbursement for credit union officials (directors, credit committee, or supervisory committee members) **while away from work** attending training conferences, seminars, or other credit union functions.

LSA-R.S.6:649(C) states in part, “No member of the board of directors or of the credit or supervisory committees shall receive any compensation for his services as a member of the board or committee. *However, directors and committee members may receive expense reimbursement for loss of pay while away from work on credit union business, or per diem when provided for in the bylaws.* The commissioner may approve such bylaw provision when the credit union’s legal reserves are in excess of six percent of risk assets. The payment by the credit union of premiums for liability, travel, accident, hospitalization, or life insurance coverage on the director or committee member shall not be considered as compensation under this Section.” [Emphasis added.]

We have been asked what constitutes **per diem** for purposes of this section. It is the opinion of this office that per diem may include actual expenses incurred for loss of wages and other “reasonable” expenses, such as travel, lodging, and meal expenses. Therefore, if a credit union official were to experience a loss in pay while attending a training conference, seminar, or credit union function on credit union business, he or she would be entitled to reimbursement for such loss of pay in addition to “reasonable” expenses as previously noted. However, this must be authorized in the credit union’s bylaws. If your bylaws do not currently provide such per diem to credit union officials, they must be amended in accordance with LSA-R.S. 6:665. If you have any questions, please contact Review Examiner Len Riviere at (225) 925-6550 or Deputy Chief Examiner Joe Gardner at (225) 925-4673.

This bulletin will also be posted on OFI’s website www.ofi.state.la.us.

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